

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:2530
ANSWERED ON:07.03.2003
INCENTIVE TO POWERLOOM SECTOR
V.S. SIVAKUMAR

Will the Minister of TEXTILES be pleased to state:

(a) Whether the government intend to launch capital incentive as a special scheme in the powerloom sector for new automatic and semi automatic looms in order to satisfy the benchmark laid under the Technology Upgradation Fund Scheme keeping in view the interests of the industry; and

(b) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANAGOUDA R. PATIL (YATNAL))

(a) & (b) In order to provide incentive for modernization, w.e.f. January 1, 2002, Government has provided the option to the small scale textile and jute industry including powerloom sector to avail 12% capital credit linked subsidy in lieu of reimbursement of 5% interest on the loans availed for the projects of bench marked technology upgradation under Technology Upgradation Fund Scheme (TUFS). In order to further encourage powerloom sector in upgradation, a capital incentive bench marked to technology and not necessarily linked to credit has been mooted. However, a decision has not been taken.